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SENATE BILL 913

43RD LEGISLATURE - STATE OF NEW MEXICO - FIRST SESSION, 1997

INTRODUCED BY

JOHN ARTHUR SMITH

AN ACT

RELATING TO TAXATION; INCREASING THE RATE OF THE GASOLINE TAX  
AND PROVIDING FOR EXPENDITURE OF INCREASED REVENUES FOR HIGHWAY  
IMPROVEMENT PROJECTS THAT CREATE JOBS AND ENHANCE ECONOMIC  
DEVELOPMENT IN THE STATE.

BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF NEW MEXICO:

Section 1. [NEW MATERIAL] LEGISLATIVE FINDINGS--

PURPOSE. --

A. The legislature finds that there is high unemployment and a lack of jobs in many areas of the state. Further, the current effort by the federal government and the state to reduce the number of individuals in need of welfare makes it imperative to create not only more jobs, but good jobs. Finally, the legislature finds that highway construction projects can provide those jobs in many areas of the state and

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1 at the same time make urgently needed road improvements that  
2 will provide the infrastructure for and enhance economic  
3 development efforts and purposes.

4 B. It is the purpose of this act to raise revenues  
5 for expenditure for highway projects in those areas of the state  
6 that urgently need good jobs for New Mexicans, to make the type  
7 of road improvements that will enhance and meet economic  
8 development purposes and needs throughout the state and to urge  
9 that first priority be given to improvement projects on  
10 interstates 25 and 40 and United States highway 70.

11 Section 2. Section 7-1-6.7 NMSA 1978 (being Laws 1994,  
12 Chapter 5, Section 2, as amended by Laws 1995, Chapter 6,  
13 Section 1 and also by Laws 1995, Chapter 36, Section 1) is  
14 amended to read:

15 "7-1-6.7. DISTRIBUTIONS--STATE AVIATION FUND. --

16 A. A distribution pursuant to Section 7-1-6.1 NMSA  
17 1978 shall be made to the state aviation fund in an amount equal  
18 to three and fifty-nine hundredths percent of the gross receipts  
19 attributable to the sale of fuel specially prepared and sold for  
20 use in turboprop or jet-type engines as determined by the  
21 department.

22 B. A distribution pursuant to Section 7-1-6.1 NMSA  
23 1978 shall be made to the state aviation fund in an amount equal  
24 to [~~twenty-six hundredths~~] two-tenths of one percent of gasoline  
25 taxes, exclusive of penalties and interest, collected pursuant

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1 to the Gasoline Tax Act. "

2 Section 3. Section 7-1-6.8 NMSA 1978 (being Laws 1983,  
3 Chapter 211, Section 13, as amended) is amended to read:

4 "7-1-6.8. DISTRIBUTION--MOTORBOAT FUEL TAX FUND.-- A  
5 distribution pursuant to Section 7-1-6.1 NMSA 1978 shall be made  
6 to the motorboat fuel tax fund in an amount equal to [~~thirteen~~  
7 ~~hundredths~~] one-tenth of one percent of the net receipts  
8 attributable to the gasoline tax. "

9 Section 4. Section 7-1-6.9 NMSA 1978 (being Laws 1991,  
10 Chapter 9, Section 11, as amended) is amended to read:

11 "7-1-6.9. DISTRIBUTION OF GASOLINE TAXES TO MUNICIPALITIES  
12 AND COUNTIES.--

13 A. A distribution pursuant to Section 7-1-6.1 NMSA  
14 1978 shall be made in an amount equal to [~~ten and thirty eight~~  
15 ~~hundredths~~] eight and two hundredths percent of the net receipts  
16 attributable to the taxes, exclusive of penalties and interest,  
17 imposed by the Gasoline Tax Act.

18 B. The amount determined in Subsection A of this  
19 section shall be distributed as follows:

20 (1) ninety percent of the amount shall be paid  
21 to the treasurers of municipalities and H class counties in the  
22 proportion that the taxable motor fuel sales in each of the  
23 municipalities and H class counties bears to the aggregate  
24 taxable motor fuel sales in all of these municipalities and H  
25 class counties; and

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1                   (2) ten percent of the amount shall be paid to  
2 the treasurers of the counties, including H class counties, in  
3 the proportion that the taxable motor fuel sales outside of  
4 incorporated municipalities in each of the counties bears to the  
5 aggregate taxable motor fuel sales outside of incorporated  
6 municipalities in all of the counties.

7                   C. This distribution shall be paid into the  
8 municipal treasury or county general fund for general purposes  
9 or for any special purposes designated by the governing body of  
10 the municipality or county. Any municipality or H class county  
11 that has created or that creates a "street improvement fund" to  
12 which gasoline tax revenues or distributions are irrevocably  
13 pledged under Sections 3-34-1 through 3-34-4 NMSA 1978 or that  
14 has pledged all or a portion of gasoline tax revenues or  
15 distributions to the payment of bonds shall receive its  
16 proportion of the distribution of revenues under this section  
17 impressed with and subject to these pledges. "

18                   Section 5. Section 7-1-6.19 NMSA 1978 (being Laws 1991,  
19 Chapter 9, Section 15, as amended) is amended to read:

20                   "7-1-6.19. DISTRIBUTION-- COUNTY GOVERNMENT ROAD FUND  
21 CREATED. --

22                   A. There is created in the state treasury the  
23 "county government road fund".

24                   B. A distribution pursuant to Section 7-1-6.1 NMSA  
25 1978 shall be made to the county government road fund in an

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1 amount equal to [~~five and seventy six hundredths~~] four and  
2 forty-five hundredths percent of the net receipts attributable  
3 to the gasoline tax."

4 Section 6. Section 7-1-6.27 NMSA 1978 (being Laws 1991,  
5 Chapter 9, Section 20, as amended) is amended to read:

6 "7-1-6.27. DISTRIBUTION--MUNICIPAL ROADS.--

7 A. A distribution pursuant to Section 7-1-6.1 NMSA  
8 1978 shall be made to municipalities for the purposes and  
9 amounts specified in this section in an aggregate amount equal  
10 to [~~five and seventy six hundredths~~] four and forty-five  
11 hundredths percent of the net receipts attributable to the  
12 gasoline tax.

13 B. The distribution authorized in this section shall  
14 be used for the following purposes:

15 (1) reconstructing, resurfacing, maintaining,  
16 repairing or otherwise improving existing alleys, streets, roads  
17 or bridges, or any combination of the foregoing; or laying off,  
18 opening, constructing or otherwise acquiring new alleys,  
19 streets, roads or bridges, or any combination of the foregoing;  
20 provided that any of the foregoing improvements may include, but  
21 are not limited to, the acquisition of rights of way; and

22 (2) for expenses of purchasing, maintaining and  
23 operating transit operations and facilities, for the operation  
24 of a transit authority established by the municipal transit law  
25 and for the operation of a vehicle emission inspection program

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1 A municipality may engage in the business of the transportation  
2 of passengers and property within the political subdivision by  
3 whatever means the municipality may decide and may acquire cars,  
4 trucks, motor buses and other equipment necessary for operating  
5 the business. A municipality may acquire land, erect buildings  
6 and equip the buildings with all the necessary machinery and  
7 facilities for the operation, maintenance, modification, repair  
8 and storage of the cars, trucks, motor buses and other equipment  
9 needed. A municipality may do all things necessary for the  
10 acquisition and the conduct of the business of public  
11 transportation.

12 C. For the purposes of this section:

13 (1) "computed distribution amount" means the  
14 distribution amount calculated for a municipality for a month  
15 pursuant to Paragraph (2) of Subsection D of this section prior  
16 to any adjustments to the amount due to the provisions of  
17 Subsections E and F of this section;

18 (2) "floor amount" means four hundred seventeen  
19 dollars (\$417);

20 (3) "floor municipality" means a municipality  
21 whose computed distribution amount is less than the floor  
22 amount; and

23 (4) "full distribution municipality" means a  
24 municipality whose population at the last federal decennial  
25 census was at least two hundred thousand.

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1           D. Subject to the provisions of Subsections E and F  
2 of this section, each municipality shall be distributed a  
3 portion of the aggregate amount distributable under this section  
4 in an amount equal to the greater of:

5                   (1) the floor amount; or

6                   (2) eighty-five percent of the aggregate amount  
7 distributable under this section times a fraction, the numerator  
8 of which is the municipality's reported taxable gallons of  
9 gasoline for the immediately preceding state fiscal year and the  
10 denominator of which is the reported total taxable gallons for  
11 all municipalities for the same period.

12           E. Fifteen percent of the aggregate amount  
13 distributable under this section shall be referred to as the  
14 "redistribution amount". Beginning in August 1990, and each  
15 month thereafter, from the redistribution amount there shall be  
16 taken an amount sufficient to increase the computed distribution  
17 amount of every floor municipality to the floor amount. In the  
18 event that the redistribution amount is insufficient for this  
19 purpose, the computed distribution amount for each floor  
20 municipality shall be increased by an amount equal to the  
21 redistribution amount times a fraction, the numerator of which  
22 is the difference between the floor amount and the  
23 municipality's computed distribution amount and the denominator  
24 of which is the difference between the product of the floor  
25 amount multiplied by the number of floor municipalities and the

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1 total of the computed distribution amounts for all floor  
2 municipalities.

3 F. If a balance remains after the redistribution  
4 amount has been reduced pursuant to Subsection E of this  
5 section, there shall be added to the computed distribution  
6 amount of each municipality that is neither a full distribution  
7 municipality nor a floor municipality an amount that equals the  
8 balance of the redistribution amount times a fraction, the  
9 numerator of which is the computed distribution amount of the  
10 municipality and the denominator of which is the sum of the  
11 computed distribution amounts of all municipalities that are  
12 neither full distribution municipalities nor floor  
13 municipalities. "

14 Section 7. Section 7-1-6.28 NMSA (being Laws 1991, Chapter  
15 9, Section 22, as amended) is amended to read:

16 "7-1-6.28. DISTRIBUTION--MUNICIPAL ARTERIAL PROGRAM OF  
17 LOCAL GOVERNMENTS ROAD FUND.--A distribution pursuant to Section  
18 7-1-6.1 NMSA 1978 shall be made to the municipal arterial  
19 program of the local governments road fund created in Section  
20 67-3-28.2 NMSA 1978 in an amount equal to [~~one and forty-four~~  
21 ~~hundredths~~] one and eleven hundredths percent of the net  
22 receipts attributable to the gasoline tax. "

23 Section 8. Section 7-13-3 NMSA 1978 (being Laws 1971,  
24 Chapter 207, Section 3, as amended) is amended to read:

25 "7-13-3. IMPOSITION AND RATE OF TAX--DENOMINATION AS

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1 "GASOLINE TAX". --

2 A. For the privilege of receiving gasoline in this  
3 state, there is imposed an excise tax at a rate provided in  
4 Subsection B of this section on each gallon of gasoline  
5 received in New Mexico.

6 B. The tax imposed by Subsection A of this section  
7 shall be [~~seventeen cents (\$.17)~~] twenty-two cents (\$.22) per  
8 gallon received in New Mexico.

9 C. The tax imposed by this section may be called the  
10 "gasoline tax".

11 Section 9. That version of Section 7-13-3 NMSA 1978 (being  
12 Laws 1995, Chapter 6, Section 11) that is to become effective  
13 July 1, 2003 is amended to read:

14 "7-13-3. IMPOSITION AND RATE OF TAX--DENOMINATION AS  
15 "GASOLINE TAX". --

16 A. For the privilege of receiving gasoline in this  
17 state, there is imposed an excise tax at a rate provided in  
18 Subsection B of this section on each gallon of gasoline  
19 received in New Mexico.

20 B. The tax imposed by Subsection A of this section  
21 shall be [~~sixteen cents (\$.16)~~] twenty-one cents (\$.21) per  
22 gallon received in New Mexico.

23 C. The tax imposed by this section may be called the  
24 "gasoline tax".

25 Section 10. EFFECTIVE DATES. --

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A. The effective date of the provisions of Sections 2 through 7 of this act is August 1, 1997.

B. The effective date of the provisions of Section 8 of this act is July 1, 1997.

1 FORTY-THIRD LEGISLATURE

2 FIRST SESSION, 1997

3  
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5  
6 February 24, 1997

7  
8 Mr. President:

9  
10 Your WAYS AND MEANS COMMITTEE, to whom has been  
11 referred

12  
13 SENATE BILL 913

14  
15 has had it under consideration and reports same with  
16 recommendation that it DO PASS, and thence referred to the  
17 CORPORATIONS & TRANSPORTATION COMMITTEE.  
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20 Respectfully submitted,

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25 \_\_\_\_\_  
Carlos R. Cisneros, Chairman

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Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_

1 (Chief Clerk)

(Chief Clerk)

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4 Date \_\_\_\_\_

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7 The roll call vote was 9 For 0 Against

8 Yes: 9

9 No: 0

10 Excused: None

11 Absent: None

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14 S0913WM1

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1 FORTY-THIRD LEGISLATURE

2 FIRST SESSION, 1997

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6 February 27, 1997

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8 Mr. President:

9  
10 Your CORPORATIONS & TRANSPORTATION COMMITTEE, to  
11 whom has been referred

12  
13 SENATE BILL 913

14  
15 has had it under consideration and reports same with  
16 recommendation that it DO PASS, amended as follows:

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19 1. On page 2, line 10, after "40" strike "and" and insert in  
20 lieu thereof a comma and after "70" insert ", state highway 44,  
21 United States highway 666, United States highway 54 and United  
22 States highway 285". ,

23  
24 and thence referred to the FINANCE COMMITTEE.

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Respectfully submitted,

FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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Roman M. Maes, III, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 6 For 1 Against

Yes: 6

No: McKibben

Excused: Kidd, Leavell, Robinson

Absent: None

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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Page 15

FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

March 6, 1997

Mr. President:

Your FINANCE COMMITTEE, to whom has been referred

SENATE BILL 913, as amended

has had it under consideration and reports same with  
recommendation that it DO PASS.

Respectfully submitted,

FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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Ben D. Altamirano, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 6 For 1 Against

Yes: 6

No: Ingle

Excused: Aragon, Carraro, Lyons, McKibben

Absent: None

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**State of New Mexico**  
**House of Representatives**

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**FORTY-THIRD LEGISLATURE**  
**FIRST SESSION, 1997**

**March 18, 1997**

**Mr. Speaker:**

Your TRANSPORTATION COMMITTEE, to whom has been referred

SENATE BILL 913, as amended

has had it under consideration and reports same with recommendation that it DO PASS, and thence referred to the TAXATION AND REVENUE COMMITTEE.

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FORTY-THIRD LEGISLATURE  
FIRST SESSION, 1997

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Respectfully submitted,

\_\_\_\_\_  
Daniel P. Silva, Chairman

Adopted \_\_\_\_\_ Not Adopted \_\_\_\_\_  
(Chief Clerk) (Chief Clerk)

Date \_\_\_\_\_

The roll call vote was 7 For 0 Against

Yes: 7

Excused: None

Absent: Carpenter, Larranaga, Parsons, Russell, W.C. Williams

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